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July 21, 2004

Honorable Benson E. Legg United States District Court District of Maryland 101 W. Lombard Street Baltimore, Maryland 21201

Re: Manor Care v. Property & Casualty Insurance Guaranty Corporation Case No. L-02-4206

Dear Judge Legg:

As a result of your May 18, 2004 Order, I have had extensive discussions with opposing counsel, Ed Buxbaum. Mr. Buxbaum and I have discussed options which would allow me to obtain the additional discovery which you permitted in your Order. We are attempting to complete this phase of discovery without the necessity of the depositions that you ordered. Mr. Buxbaum and I have arrived at the following agreement.

I intend to submit six interrogatories and two requests for production of documents to Mr. Buxbaum. He will respond in good faith to these requests but may be asserting privilege and other objections that are available to him under the Civil Rules. I reserve my right to challenge these objections (if asserted) and to file an appropriate motion for you to rule on these matters. Mr. Buxbaum and I will also be filing a stipulation concerning certain factual issues. Upon receipt of appropriate interrogatory answers and documents, my client will be in a position to amend the previously filed motion for summary judgment. I am hopeful that our amended summary judgment motion will be filed within 30 days of receipt of appropriate discovery responses. I am hopeful that this phase of discovery will be completed without the necessity of further court intervention. Mr. Buxbaum has reviewed and approved this letter. If this plan meets with your approval, either Mr. Buxbaum or I can report to you further by September 1, 2004 as to the status of this issue.

Respectfully,

Cooper & Walinski

Gerald R. Kowalski

GRK/bs

cc: Edward Buxbaum, Esq. Deanne Ottaviano, Esq. John Benavides